

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

636J0616

SENATE COMMERCE COMMITTEE ENGROSSED NO. **SB 104** - 01/29/2004

Introduced by: Senators Knudson, Earley, Kelly, McCracken, Schoenbeck, and Sutton (Dan)
and Representatives Madsen, Christensen, Glenski, Heineman, Hunhoff,
McLaughlin, Nesselhuf, Schafer, and Weems

1 FOR AN ACT ENTITLED, An Act to provide certain economic development incentives in
2 specified areas.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 13-13-10.2 be amended to read as follows:

5 13-13-10.2. The assessed value as determined in § 13-13-10.1 of any property in a tax
6 incremental district formed on or before December 31, 1994, and created pursuant to chapter
7 11-9 is the tax incremental base, as defined in § 11-9-19 until the tax incremental district ceases
8 to exist as provided in § 11-9-46. The assessed values, as determined in § 13-13-10.1 of any
9 property in a tax incremental district formed after December 31, 1994, and created pursuant to
10 chapter 11-9, is the total assessed value of the property determined by the Department of
11 Revenue and Regulation pursuant to § 11-9-24, until the tax incremental district ceases to exist
12 as provided in § 11-9-46. The provisions of this chapter do not apply to any tax incremental
13 district created after December 31, 1994, for industrial purposes. For the purposes of this
14 chapter, industrial includes only those activities generally recognized as industrial by zoning



1 authorities within the state, including any factory or any business engaged primarily in the
2 manufacturing or assembly of goods, the processing of raw materials, and the wholesale
3 distribution of products for resale. The provisions of this chapter do not apply to any tax
4 incremental district created after December 31, 2003, for economic development purposes. For
5 the purposes of this chapter, economic development includes any area where there is or will be
6 one or more businesses engaged in any activity defined as commercial or industrial by the
7 governing body that has zoning authority over the land contained within the tax incremental
8 district.

9 Section 2. That § 11-9-7 be amended to read as follows:

10 11-9-7. ~~In order to~~ To implement the provisions of this chapter, the resolution required by
11 § 11-9-5 shall contain a finding that the aggregate assessed value of the taxable property in the
12 district plus the tax incremental base of all other existing districts does not exceed ~~ten~~ twenty
13 percent of the total assessed value of taxable property in the municipality.

14 Section 3. That § 11-9-8 be amended to read as follows:

15 11-9-8. ~~In order to~~ To implement the provisions of this chapter, the resolution required by
16 § 11-9-5 shall contain findings that:

17 (1) Not less than twenty-five percent, by area, of the real property within the district is
18 ~~a blighted~~ an area in need of economic development; and

19 (2) The improvement of the area is likely to enhance significantly the value of
20 substantially all of the other real property in the district;

21 ~~—(3)— If the municipality is a county, there are, or there is a reasonable likelihood that there~~
22 ~~will be, one or more businesses engaged in manufacturing or in the transportation,~~
23 ~~storage, processing, or sale of agricultural products, located within the district.~~

24 It is not necessary to identify the specific parcels meeting the criteria. No county may create

a tax incremental district located, in whole or in part, within a municipality, unless the governing body of such municipality has consented thereto by resolution.

Section 4. That § 11-9-9 be amended to read as follows:

11-9-9. Any area, including slum area, in which the structures, buildings, or improvements, by reason of:

- (1) Dilapidation, age, or obsolescence;
- (2) Inadequate provisions for ventilation, light, air, sanitation, or open spaces;
- (3) High density of population and overcrowding;
- (4) The existence of conditions which endanger life or property by fire and other causes;
- or
- (5) Any combination of such factors;

are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and which is detrimental to the public health, safety, morals, or welfare, is ~~a blighted~~ an area in need of economic development.

Section 5. That § 11-9-10 be amended to read as follows:

11-9-10. Any area which by reason of:

- (1) The presence of a substantial number of substandard, slum, deteriorated, or deteriorating structures;
- (2) Predominance of defective or inadequate street layouts;
- (3) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (4) Insanitary or unsafe conditions;
- (5) Deterioration of site or other improvements;
- (6) Diversity of ownership, tax, or special assessment delinquency exceeding the fair value of the land;

1 (7) Defective or unusual conditions of title;

2 (8) The existence of conditions which endanger life or property by fire and other causes;

3 or

4 (9) Any combination of such factors;

5 substantially impairs or arrests the sound growth of a municipality, retards the provision of

6 housing accommodations, or constitutes an economic or social liability and is a menace to the

7 public health, safety, morals, or welfare in its present condition and use, is a ~~blighted~~ an area in

8 need of economic development.

9 Section 6. That § 11-9-11 be amended to read as follows:

10 11-9-11. Any area which is predominantly open and which because of obsolete platting,

11 diversity of ownership, or deterioration of structures or of site improvements, ~~or otherwise,~~

12 ~~substantially impairs or arrests the sound growth of a municipality, is a blighted~~ is an area in

13 need of economic development.